

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

In re TERAYON COMMUNICATION
SYSTEMS, INC. SECURITIES LITIGATION)

Master File No. C-00-1967-MHP

CLASS ACTION

This Document Relates to:

ALL ACTIONS.

**ORDER APPROVING PLAN OF
ALLOCATION OF SETTLEMENT
PROCEEDS**

1 THIS MATTER having come before the Court on Lead Plaintiffs' application for approval of
2 the Plan of Allocation of the net settlement proceeds in the above-captioned action; the Court having
3 considered all papers filed and proceedings had herein and otherwise being fully informed in the
4 premises;

5 IT IS HEREBY ORDERED, ADJUDGED AND DECREED that:

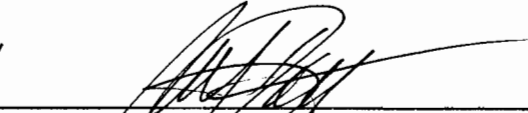
6 1. For purposes of this Order, the terms used herein shall have the same meanings as set
7 forth in the Stipulation of Settlement dated as of March 17, 2006 (the "Stipulation").

8 2. Pursuant to and in full compliance with Rule 23 of the Federal Rules of Civil
9 Procedure, this Court hereby finds and concludes that due and adequate notice was directed to all
10 Persons and entities who are Class Members advising them of the Plan of Allocation and of their
11 right to object thereto, and a full and fair opportunity was accorded to all Persons and entities who
12 are Class Members to be heard with respect to the Plan of Allocation.

13 3. The Court hereby finds and concludes that the formula for the calculation of the
14 claims of Authorized Claimants which is set forth in the Notice of Proposed Settlement of Class
15 Action (the "Notice") sent to Class Members, provides a fair and reasonable basis upon which to
16 allocate the proceeds of the Net Settlement Fund established by the Stipulation among Class
17 Members, with due consideration having been given to administrative convenience and necessity.

4. The Court hereby finds and concludes that the Plan of Allocation set forth in the Notice is in all respects fair and reasonable and the Court hereby approves the Plan of Allocation. IT IS SO ORDERED.

DATED September 28, 2007


THE HONORABLE MARILYN H. PATEL
UNITED STATES DISTRICT JUDGE

Submitted by:

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[PROPOSED] ORDER APPROVING PLAN OF ALLOCATION OF SETTLEMENT PROCEEDS
- C-00-1967-MHP